

Company Registration No: 00434807

EFLORIST LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2016



EFLORIST LIMITED

COMPANY INFORMATION

DIRECTORS

K Stalhammar
U Spolander
L Varga

COMPANY NUMBER

00434807

REGISTERED OFFICE

Unit 35
Romsey Industrial Estate
Greatbridge Road
Romsey
Hampshire
SO51 0HR

INDEPENDENT AUDITOR

RSM UK Audit LLP
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

EFLORIST LIMITED

STRATEGIC REPORT

The directors present the strategic report and financial statements for the period ended 31 December 2016.

Review of the business

During the period ended 31 December 2016, eFlorist Ltd extended the fiscal year with six months and presents in this annual report the financial statement of 18 months in regards to 2016.

The principal activity of the company continued to be the operation of a florist association for the dispatch of orders between members in the UK and throughout the world.

The company's turnover increased by 72.9% mainly due to the six-month extended fiscal year in 2016. Its gross profit margin decreased to 18.87% from 20.26% in the previous year mainly due to a slightly different product mix. Profit before tax has also increased by with £690,865 during the extended fiscal period and can be explained by the same reasons.

During the period eFlorist made an asset acquisition of ihampers which at the time was the third largest florist network in UK. The acquisition makes eFlorist stronger in a competitive business and contributed positively to this year's result. In regards to the balance sheet the asset acquisition of ihampers significantly increased goodwill, brands and customer lists which are the main explanations of why total fixed assets increased with £750,939 during the year. In regards of debtors, a significant increase in amounts owed by group companies can be seen and can be explained by a slightly different payment structure within the group which was highlighted during the period ended December 31 2016. At the period end the company had shareholders' funds of £4,476,823, an increase of £1,936,318 on the previous year.

The directors consider the results to be satisfactory and look forward to further progress in the coming year.

Principal risks

The directors have assessed the main risk facing the company as being continued competition from companies operating as online order gatherers, to include competitors delivering boxed flowers at a lower price point.

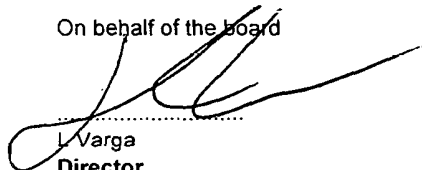
The company finances its operations through a mixture of retained profits and where necessary to fund expansion or capital expenditure programmes, through external borrowings. The management's objectives are to maximise returns on surplus funds, minimise the company's exposure to fluctuating interest rates when seeking new borrowings and match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities. Hedge accounting is not used by the company.

Future developments

The company is currently reviewing the florist offering and exploring other sales avenues to increase the company's customer base.

The directors believe that the quality of the company's products and customer service will result in continued growth and profitable activity in the coming year.

On behalf of the board



L. Varga
Director
29/9/17

EFLORIST LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of Eflorist Limited, together with the audited financial statements, for the period ended 31 December 2016.

These are the first published financial statements of the company prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements were previously prepared under UK Generally Accepted Accounting Principles ("UK GAAP").

PRINCIPAL ACTIVITY

The principal activity of the company during the period continued to be the operation of a florist association for the dispatch of orders between members in the UK and throughout the world.

Following a change in the group reporting year end, the companies year end has been changed from 30 June 2016 to 31 December 2016 in line with other group members resulting in an 18 month period being reported.

AUDITOR

The auditor, RSM UK Audit LLP, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

STRATEGIC REPORT

In accordance with the Companies Act 2006, S414C(11), information in respect of business activities, risk and future developments are shown in the strategic report on page 3.

DIRECTORS

The following directors held office during the period and until the date of signing these financial statements:

U E Hagman	(resigned 18 September 2017)
M Lind	(resigned 18 September 2017)
J J Karrbrink	(resigned 11 September 2015)
L Varga	(appointed 11 September 2015)
K Stalhammar	(appointed 18 September 2017)
U Spolander	(appointed 18 September 2017)

EFLORIST LIMITED

DIRECTORS' REPORT (Continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law required the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Principles (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS101; reduced disclosure framework ("FRS 101")

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

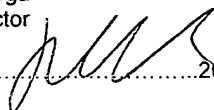
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in the office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the company's auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the company's auditor.

By order of the board

L Varga
Director


.....2017

29/9/17

EFLORIST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EFLORIST LIMITED

OPINION ON FINANCIAL STATEMENTS

We have audited the financial statements on pages 8 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

EFLORIST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EFLORIST LIMITED

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit CoP

Paul Anthony (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire SO53 3TY

29 September 2017

EFLORIST LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 31 DECEMBER 2016**

		Period end 31 December 2016	Year end 30 June 2015
	Notes	£	£
TURNOVER	4	33,415,345	19,324,491
Cost of sales		(27,112,481)	(15,408,427)
GROSS PROFIT		6,302,864	3,916,064
Exceptional items	5	-	495,212
Other administrative expenses		(3,881,007)	(2,680,284)
Total administrative expenses		(3,881,007)	(2,185,072)
Profit before exceptional items		2,421,857	1,235,780
Exceptional items		-	495,212
PROFIT BEFORE TAXATION		2,421,857	1,730,992
Taxation	7	(485,539)	(257,258)
PROFIT AFTER TAXATION FOR THE FINANCIAL PERIOD/YEAR		1,936,318	1,473,734
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		1,936,318	1,473,734

EFLORIST LIMITED

(Company Registration Number: 00434807)

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2016

	Notes	31 December 2016	30 June 2015
		£	£
FIXED ASSETS			
Intangible assets	8	758,174	12,045
Tangible assets	9	93,115	88,305
Investments	10	-	-
		<u>851,289</u>	<u>100,350</u>
CURRENT ASSETS			
Stocks	11	56,849	12,771
Debtors	12	2,351,238	1,017,031
Cash at bank and in hand		4,704,449	4,249,506
		<u>7,112,536</u>	<u>5,279,308</u>
CREDITORS			
Amounts falling due within one year	13	(3,431,880)	(2,839,153)
		<u>3,680,656</u>	<u>2,440,155</u>
NET CURRENT ASSETS			
		<u>4,531,945</u>	<u>2,540,505</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Provisions for liabilities	14	(55,122)	-
		<u>4,476,823</u>	<u>2,540,505</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	15	18,788	18,788
Share premium account		65,575	65,575
Profit and loss account		4,392,460	2,456,142
		<u>4,476,823</u>	<u>2,540,505</u>
SHAREHOLDERS' FUNDS			
		<u>4,476,823</u>	<u>2,540,505</u>

The notes on pages 11 to 26 are an integral part of these financial statements.

These financial statements on pages 8 to 26 are approved by the board of directors and authorised for issue on 29 September 2017 and are signed on its behalf by:


L Varga
Director

EFLORIST LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Called up Share Capital £	Share premium Account £	Retained Earnings £	Total Equity £
Balance as at 1 July 2014	18,788	65,575	982,408	1,066,771
Profit for the financial year	-	-	1,473,734	1,473,734
Total comprehensive income for the year	-	-	1,473,734	1,473,734
Balance as at 30 June 2015	18,788	65,575	2,456,142	2,540,505
Profit for the financial period	-	-	1,936,318	1,936,318
Total comprehensive income for the period	-	-	1,936,318	1,936,318
Balance as at 31 December 2016	18,788	65,575	4,392,460	4,476,823

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

The principal activity of the company during the period was the operation of a florist association for the dispatch of orders between members in the UK and throughout the world.

The company is a private company and is incorporated and domiciled in the UK. The address of its registered office is Unit 35, Romsey Industrial Estate, Greatbridge Road, Romsey, Hampshire, SO51 0HR.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

These financial statements were prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101").

The financial statements have been prepared under the historical cost convention, as modified to include the measurement of certain financial instruments at fair value.

In preparing these financial statements, the Company applies the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU ("IFRS"), amended where necessary in order to comply with Companies Act 2006.

An explanation of how the transition to FRS 101 has affected the financial position and financial performance of the Company is provided in note 20.

These financial statements of Eflorist Limited are the first financial statements prepared in accordance with Financial Reporting Standard 101 (FRS101).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

2.1 BASIS OF PREPARATION cont.

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, and, where relevant equivalent disclosures have been made in the group accounts of the parent, in accordance with FRS 101:

- Comparative information has not been given in respect of:
 - (i) a reconciliation of the carrying amount of each class of tangible assets at the beginning of the period;
 - (ii) a reconciliation of the carrying amount of each class of intangible assets at the beginning of the period;
- The requirement to produce a third statement of financial position when applying a change in accounting policy, retrospective restatement or reclassification.
- The requirement to disclose information relating to the company's objectives, policies and processes for managing capital.
- The requirement to publish a Statement of Cash Flows.
- Disclosure of the categories of financial instrument and nature and extent of risks arising on these financial instruments.
- The requirement to disclose the valuation techniques applied to assets and liabilities held at fair value.
- The requirement to disclose compensation for key management between short term employee benefits, post-employment benefits and other long term benefits.
- The requirements to disclose related party transactions entered into between two or more, wholly owned, members of a group.
- The requirement to disclose the future impact of a new IFRS in issue but not yet effective.

The financial statements of the Company are consolidated into the financial statements of Litorina Kapital. The consolidated financial statements of Litorina Kapital are available from its registered office, Eddagaten 4, SE-217 67 Malmö, Sweden.

2.2 GOING CONCERN

The company meets its day-to-day working capital requirements through its cash reserves. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

2.3 FOREIGN CURRENCIES

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All other foreign exchange gains and losses are presented in the income statement within 'Administrative expenses.'

2.4 TANGIBLE ASSETS

All tangible assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost amounts to their residual values over their estimated useful lives, as follows:

Land and buildings leasehold	straight line over the term of the lease
Fixtures, fittings and equipment	between 15% and 50% straight line

A full year's depreciation is charged during the year of acquisition and consequently no depreciation is charged in the year of disposal.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the income statement.

2.5 INVESTMENTS

Investments are stated at cost less provision for diminution in value.

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

2.6 INTANGIBLE ASSETS

Goodwill

In accordance with International Accounting Standard 36 (IAS 36), goodwill is revalued annually and impairments are charged to administrative expenses. Therefore, no amortisation is charged.

This treatment is a departure from the requirement of the Companies Act concerning goodwill. The accounting policy adopted is necessary for the financial statements to give a true and fair view. The amount which might otherwise have been shown cannot be separately identified or quantified.

Other intangible assets

Intangible assets are initially recognised at cost (being the fair value at the date of acquisition) and are subsequently measured at cost less accumulated amortisation and impairment losses. Intangible assets are amortised to the Statement of Comprehensive Income on a straight line basis over their useful lives as follows:

Trademarks	5 years straight line
Customer relationships	3 years straight line
Computer software	5 years straight line

De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.7 STOCKS

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first in first out (FIFO) method. The cost of finished goods excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling costs.

2.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.9 FINANCIAL INSTRUMENTS

Financial assets

The company classifies its financial assets as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those which mature greater than 12 months after the end of the reporting period, which are classified as non-current assets. Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

2.9 FINANCIAL INSTRUMENTS cont.

Debtors

Debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand and deposits held at call with banks.

Financial liabilities

Financial liabilities are recognised initially at fair value and, are subsequently measured at amortised cost using the effective interest method.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

2.10 IMPAIRMENT OF FINANCIAL ASSETS

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.11 PROVISIONS

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised within interest payable in the period it arises.

2.12 SHARE CAPITAL

Ordinary shares are classified as equity.

2.13 CURRENT AND DEFERRED INCOME TAX

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

2.13 CURRENT AND DEFERRED INCOME TAX cont.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is recognised on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is released or the deferred income tax liabilities is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.14 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable from flower sales, hamper sales, subscriptions, service charges, levies and membership fees net of value added tax. Revenue is recognised from service charges and the sale of flowers and hampers at the point in which the order is executed, or when fees are receivable

Membership and subscription fees are recognised over the period to which they relate.

2.15 FINANCE INCOME

Finance income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as finance income. Finance income on impaired loan and receivables is recognised using the original effective interest rate.

2.16 LEASES

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

3. JUDGEMENTS AND ESTIMATES

The company makes judgements and assumptions concerning the future which impacts the application of accounting policies and reported amounts. The accounting estimates resulting from these judgements and assumptions seldom equal the actual results but are based on historical experiences and future expectations.

Intangible assets acquisition

The directors have assessed the fair value of intangible assets purchased and the drivers behind the acquisitions made in calculating the split of intangibles purchased. They have also assessed the period over which those assets and related goodwill should be amortised.

Intangible assets totalling £922,000 have been recognised on the acquisition of the trade and assets of Colonial Gifts Limited during the period and have been allocated by the directors as follows; trademarks of £740,000 and customer lists of £182,000.

Dilapidations provision

The members have assessed the condition of the leased buildings and have estimated the cost of dilapidations based on this.

Goodwill

The directors have assessed the value of goodwill and have concluded that no impairment is required.

4. TURNOVER

All of the company's turnover, for the current and prior periods, is generated from the company's principal activity.

Geographical market	2016	2015
	£	£
United Kingdom	23,209,043	13,115,212
Overseas	10,206,302	6,209,279
	<hr/>	<hr/>
Total turnover	33,415,345	19,324,491
	<hr/>	<hr/>

5. OPERATING PROFIT

	2016	2015
	£	£
Operating profit is stated after charging:		
Wages and salaries	1,521,270	1,039,047
Social security costs	135,580	75,106
Pension contributions	118,023	50,083
	<hr/>	<hr/>
Staff costs	1,774,873	1,164,236
	<hr/>	<hr/>
Operating lease charges	142,649	86,747
Audit fees payable to the company's auditor	28,500	19,250
Depreciation of tangible fixed assets	85,823	51,574
Amortisation of intangible assets	249,971	17,910
Impairment cost recognised on debtors	31,500	26,520
Exchange (gains)/losses	(376,550)	76,142
	<hr/>	<hr/>

The exceptional costs of £495,212 in 2015 relate to the profit on disposal on the sale of the website.

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

6. EMPLOYEES

	2016 Number	2015 Number
The average monthly number of persons (including directors) employed by the company during the period was:		
Administrative staff	55	45
Management staff	5	5
	<u>60</u>	<u>50</u>
Directors' remuneration	2016 £	2015 £
Aggregate remuneration	-	65,946
Company pension contributions to money purchase schemes	-	4,183
	<u>-</u>	<u>70,129</u>

No directors received remuneration from the company during the period. The directors received remuneration in other group companies for services provided to those companies. Post-employment benefits are accruing for 0 (2015: 1) of the directors under a defined contribution scheme.

7. INCOME TAX

	2016 £	2015 £
Current tax:		
UK Corporation tax on profits of period/year	473,753	242,463
Total current tax	<u>473,753</u>	<u>242,463</u>
Deferred tax:		
Origination and reversal of timing differences - current year	11,786	14,795
Total deferred tax	<u>11,786</u>	<u>14,795</u>
Tax on profit on ordinary activities	<u>485,539</u>	<u>257,258</u>

7. INCOME TAX cont

Factors affecting tax charge for the year/period
The tax assessed for the year is lower (2015: lower) than profit
At the effective rate of corporation tax as explained below:

	2016	2015
Profit on ordinary activities before tax	£ 2,421,857	£ 1,730,992
Profit on ordinary activities multiplied by the effective rate of corporation tax 20% (2015: 20.75%)	484,371	359,180
Effects of:		
Expenses not deductible for tax purposes	16,328	204
Fixed asset differences	14,154	935
Adjustment to deferred tax rate	7,465	-
Deferred tax not recognised	(36,779)	(103,061)
	485,539	257,258

During the period, Finance Act 2015 was enacted and included legislation to reduce the main rate of corporation tax to 19% with effect from 1 April 2017, and by a further 2%, reaching 17% with effect from 1 April 2020. As this change was substantively enacted at the balance sheet date and no material amount is expected to unwind prior to 1 April 2020, deferred tax is recognised at 17% in the current period.

8. INTANGIBLE FIXED ASSETS

	Goodwill	Brands	Computer Software	Customer Lists	Total
Cost:					
At 1 July 2015	-	-	800,119	-	800,119
Additions	74,100	740,000	-	182,000	996,100
At 31 December 2016	74,100	740,000	800,119	182,000	1,796,219
Accumulated amortisations:					
At 1 July 2015	-	-	788,074	-	788,074
Charge for the period	-	172,667	6,533	70,771	249,971
At 31 December 2016	-	172,667	794,607	70,771	1,038,045
Net book value					
At 31 December 2016	74,100	567,333	5,512	111,229	758,174
At 30 June 2015	-	-	12,045	-	12,045

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

9. TANGIBLE ASSETS

	Land and buildings leasehold £	Fixtures, fittings and equipment £	Total £
Cost:			
At 1 July 2015	125,949	390,463	516,412
Additions	-	90,633	90,633
	<hr/>	<hr/>	<hr/>
At 31 December 2016	125,949	481,096	607,045
Accumulated depreciation:			
At 1 July 2015	125,949	302,158	428,107
Charge for the period	-	85,823	85,823
	<hr/>	<hr/>	<hr/>
At 31 December 2016	125,949	387,981	513,930
Net book value:			
At 31 December 2016	-	93,115	93,115
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 June 2015	-	88,305	88,305
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

10. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £
Cost	
At 1 July 2015 and 31 December 2016	20,393
	<hr/>
Provisions for diminution in value	
At 1 July 2015 and 31 December 2016	20,393
	<hr/>
Net book value	
At 31 December 2016	-
	<hr/> <hr/>
At 30 June 2015	-
	<hr/> <hr/>

EFLORIST LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 DECEMBER 2016****10 FIXED ASSET INVESTMENTS cont.****Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
British Teleflower Service Limited	United Kingdom	Ordinary	100.00
Teleflorist (Ireland) Limited	Ireland	Ordinary	100.00
Floral Essential Limited	United Kingdom	Ordinary	100.00
Flowers.co.uk Limited	United Kingdom	Ordinary	100.00
Teleflorist Limited	United Kingdom	Ordinary	100.00
Flowers Online Limited	United Kingdom	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:-

		Capital and reserves 2016 £	Profit/(loss) for the year 2016 £
Subsidiary undertakings			
British Teleflower Service Limited	Dormant	100	-
Teleflorist (Ireland) Limited	(see below)	144,755	12,680
Floral Essential Limited	Dormant	-	-
Flowers.co.uk Limited	Dormant	1	-
Teleflorist Limited	Dormant	100	-
Flowers Online Limited	Dormant	-	-
		<u> </u>	<u> </u>

All of the above subsidiary undertakings are registered in England and Wales, with the exception of Teleflorist (Ireland) Limited, which is registered in Ireland.

The principal activity of Teleflorist (Ireland) Limited is the execution of flowery delivery orders.

11. STOCKS	2016 £	2015 £
Finished goods for resale	56,849	12,771
	<u> </u>	<u> </u>

There is no significant difference between the replacement cost of finished goods and goods for resale and their carrying amounts.

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

12. DEBTORS	2016	2015
	£	£
Due within one year:		
Trade debtors	565,488	305,244
Amounts owed by group undertakings	1,549,960	297,441
Other debtors	121,886	311,673
Prepayments and accrued income	99,713	76,696
Deferred tax asset (see note 14)	14,191	25,977
	<u>2,351,238</u>	<u>1,017,031</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2016	2015
	£	£
Trade creditors	2,542,110	1,318,595
Amounts owed to group undertakings	-	658,517
Corporation tax	301,752	92,477
Other taxation and social security costs	28,511	55,818
Other creditors	453,424	596,904
Accruals and deferred income	106,083	116,842
	<u>3,431,880</u>	<u>2,839,153</u>

14 PROVISIONS FOR LIABILITIES	2016	2015
	£	£
Dilapidations provision	55,122	-
	<u>55,122</u>	<u>-</u>

The deferred tax asset in note 12 consists of the following:

	Accelerated Capital allowances £
At 1 July 2015	(25,977)
Charged against the income statement	11,786
	<u>(14,191)</u>

The dilapidations provision relates to the lease of the office and was introduced during the year.

EFLORIST LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 DECEMBER 2016**

15. SHARE CAPITAL	2016	2015
	£	£
Allotted, called up and fully paid:		
17,008 ordinary A shares of £1 each	17,008	17,008
1,780 ordinary B shares of £1 each	1,780	1,780
	<hr/>	<hr/>
	18,788	18,788
	<hr/> <hr/>	<hr/> <hr/>

The holders of the B shares shall not be entitled to receive notice of, or to attend, or to vote at any general meetings' of the company.

16. RESERVES**Retained earnings**

Cumulative profit and loss net of distribution to owners.

Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

16. COMMITMENTS UNDER OPERATING LEASES	2016	2015
	£	£
At 31 December 2016, the company had the following future minimum lease payments under non- cancellable operating leases for each of the following periods:		
<i>Land and buildings:</i>		
Not later than one year	92,500	-
Later than one year and not later than five years	331,458	-
	<hr/>	<hr/>
	423,958	-
	<hr/> <hr/>	<hr/> <hr/>
<i>Plant & machinery:</i>		
Not later than one year	13,868	4,778
Later than one year and not later than five years	39,414	1,208
	<hr/>	<hr/>
	53,282	5,986
	<hr/> <hr/>	<hr/> <hr/>

17. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Euroflorist AB and is included in the consolidation of Euroflorist AB. The company is exempt from disclosing related party transactions with parties that are part of Euroflorist AB.

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

18. ULTIMATE CONTROLLING PARTY

The immediate parent company is Euroflorist AB which is incorporated in Sweden. The ultimate parent company is Litorina Kapital which is incorporated in Sweden. A copy of its consolidated financial statements can be obtained from the registered office, Eddagaten 4, SE-217 67 Malmö, Sweden.

The smallest group and the largest group in which this Company's accounts are consolidated is Euroflorist Intressenter AB.

Not one person has ultimate control.

19. BUSINESS COMBINATIONS

On 30 October 2015 Eflorist Limited acquired the trade and assets of Colonial Gifts Limited. The cost of this acquisition comprised consideration in the form of loan notes with a fair value of £1,000,000

The trademarks acquired are considered to have a useful life of 5 years and the remaining intangibles are considered to have a useful life of 3 years. The directors consider this to be the period of time in which those intangible assets will generate economic benefit for the entity.

At the acquisition date, these assets were consolidated at their fair values into the company, as set out below:

	Book value £	Fair value £
Hardware	3,900	3,900
Trademarks (and domains)		740,000
Customer list (consumer)		160,000
Customer list (corporate)		22,000
Goodwill		74,100
		<u>1,000,000</u>
Satisfied by:		
Loan notes		<u>1,000,000</u>

Set out below are the revenue/profit of the acquiree since acquisition:

	£
Revenue	1,911,102
Profit	<u>255,985</u>

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

20. RECONCILIATION ON ADOPTION OF FRS101

	As previously stated £	Effect of transition £	At 1 July 2014		As previously stated £	Effect of transition £	At 30 June 2015	
			Prior period adjustment	FRS101 £			Prior period adjustment £	FRS101 £
FIXED ASSETS								
Intangible assets	298,346	16,397		314,743	-	12,045		12,045
Tangible assets	82,904	(16,397)		66,507	100,350	(12,045)		88,305
	<u>381,250</u>	<u>-</u>	<u>-</u>	<u>381,250</u>	<u>100,350</u>	<u>-</u>	<u>-</u>	<u>100,350</u>
CURRENT ASSETS								
Stocks	7,640			7,640	12,771			12,771
Debtors	1,123,057			1,123,057	1,017,031			1,017,031
Cash at bank and in hand	2,111,188			2,111,188	4,249,506			4,249,506
	<u>3,241,885</u>	<u>-</u>	<u>-</u>	<u>3,241,885</u>	<u>5,279,308</u>	<u>-</u>	<u>-</u>	<u>5,279,308</u>
CREDITORS								
Amounts falling due within one year	(2,039,197)		(517,167)	(2,556,364)	(2,376,643)		(462,510)	(2,839,153)
NET CURRENT ASSETS	<u>1,202,688</u>	<u>-</u>	<u>(517,167)</u>	<u>685,521</u>	<u>2,902,665</u>	<u>-</u>	<u>(462,510)</u>	<u>2,440,155</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,583,938</u>	<u>-</u>	<u>(517,167)</u>	<u>1,066,771</u>	<u>3,003,015</u>	<u>-</u>	<u>(462,510)</u>	<u>2,540,505</u>
CREDITORS:AMOUNTS FALLING DUE IN MORE THAN ONE YEAR	(517,167)		517,167	-	(462,510)		462,510	-
NET ASSETS	<u>1,066,771</u>	<u>-</u>	<u>-</u>	<u>1,066,771</u>	<u>2,540,505</u>	<u>-</u>	<u>-</u>	<u>2,540,505</u>

EFLORIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

CAPITAL AND RESERVES

Called up share capital	18,788		18,788	18,788		18,788
Other reserves	65,575		65,575	65,575		65,575
Profit and loss account	982,408		982,408	2,456,142		2,456,142
SHAREHOLDERS' FUNDS	<u>1,066,771</u>		<u>1,066,771</u>	<u>2,540,505</u>		<u>2,540,505</u>

Reconciliation of adoption of FRS101

The transition to FRS101 has resulted in computer software being reclassified from tangible assets to intangible assets in accordance with the definition of intangible assets prescribed by IAS 38.

There were no transitional adjustments to the statement of comprehensive income for the year end 30 June 2015 as a result of the transition to IFRS.

Prior year adjustments

The directors identified an error in the financial statements resulting in the requirement to record a prior year adjustment. This has resulted in the creditors, amounts falling due in more than one year of £462,510 to be reclassified into creditors, amounts falling due within one year due to the contractual obligation carried with these balances. Previously the disclosure in amounts falling due in more than one year was based on expectation rather than contractual obligation.

A further prior year adjustment was identified in the financial statements where turnover in relation to fulfilment of orders had previously been recognised in other operating income. This required reclassifying £1,501,826 from other operating income to turnover. There is no impact on profit.